Statement by Rep. Frank R. Wolf

In Response to Passage of Health Care Reform Legislation

March 30, 2010

I do not question the need for Congress to work to find a way for the millions of Americans without health insurance to be assured access to quality, affordable health care. But when the House voted March 21 to agree to the Senate health care package, I did not support this massive legislation encompassing one-sixth of our economy at a cost of $940 billion over the next decade. The measure was cleared for the president's signature by a narrow 219-212 vote, with 34 Democrats joining all 178 Republicans in opposition to H.R. 3590, the Patient Protection and Affordable Care Act. The president signed the bill into law on March 23.

For what should have been an open and transparent process in which Republicans and Democrats worked together to pass responsible health care reform that lowers costs, offers greater access to affordable health care, fixes what's broken, and keeps what's working without adding billions of dollars to an already ballooning deficit, this legislation was negotiated and approved only by the majority Democratic party, and is the largest expansion of the federal government in our nation's history.

The legislation would require individuals, for the first time in our nation's history, to purchase health insurance or face significant fines – for an individual, the greater of $750 or 2 percent of income. The Internal Revenue Service (IRS) will be responsible for verifying whether or not a person has purchased "acceptable coverage" for every month of the year, vastly expanding the IRS's mission and reach. This provision has drawn the attention of the Virginia General Assembly, which in a bipartisan vote in early March became the first state legislature in the nation to pass legislation opposing this mandate. This measure was formally signed into law by Virginia Governor Bob McDonnell on March 24. Thirteen state attorneys general, in a joint action, also have sued to challenge the constitutionality of the health care law.

The new law also requires employers to offer health insurance to their employees or face a minimum fine of $750 per employee. In addition, it requires states to establish health benefit exchanges for uninsured individuals to purchase insurance as well as those whose existing employer coverage is deemed "insufficient" by the federal government. The secretary of Health and Human Services will impose benefit standards for all plans. Beginning in 2017, states could open exchanges to all employers, expanding the scope and reach of the government-run exchanges.

At a time of economic recession and high unemployment, the new law raises over $500 billion in new taxes, including increases in the Medicare payroll tax for those earning over $200,000, or joint filers who earn over $250,000. It slashes over $500 billion from Medicare and places millions of our senior citizens at risk of losing access to care, at a time when the Social Security and Medicare Boards of Trustees' 2009 annual reports predict bankruptcy of these programs by 2019. The law also forces billions of dollars in additional Medicaid entitlement spending in the form of unfunded mandates on cash-strapped states.

The bill also breaks a promise to members of our nation's armed services, their families, veterans, Department of Defense civil service employees and active duty contractors because it fails to protect the military's TRICARE system -- health care programs provided by the Department of Veterans Affairs. This means that under this legislation, unless a service member, veteran, or their family has TRICARE for Life, additional health insurance would have to be purchased.

I also have serious concerns about the impact this legislation will have on the nation's budget deficit and long-term debt. I firmly believe that central to the health care challenges that we face as a nation is not only improving coverage, but controlling costs. We have a moral obligation to ensure that our children and grandchildren are not burdened with future crippling spending obligations. The national debt is now over $12 trillion, and when added to entitlement liabilities, our nation is facing some $57 trillion in unfunded liabilities.

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This means that every man, woman, and child owes over $184,000. In this year alone, it is anticipated that we will be spending nearly $4 billion a week just to pay the interest on the debt.

The Patient Protection and Affordable Care Act ushers in 10 years of tax increases to pay for six years of service. While this bill is touted to cut the deficit by $143 billion over a decade, the projected deficit for the current fiscal year alone is $1.55 trillion -- 11 times the 10-year "savings" that this measure claims. Massive new, unfunded entitlements included in this new law appear to contradict the president's February executive order creating a commission charged with finding solutions to reduce trillions of dollars in unfunded liabilities our nation now owes with Medicare, Social Security, and Medicaid.

After the House cleared the Senate health care bill, a second vote added provisions under a process called "reconciliation" to fix parts of the Senate bill which the House majority leadership wanted changed. The changes include an increase in federal subsidies to help uninsured individuals pay for insurance; an increase to $2,000 per employee in the fine that businesses will pay if they do not offer health insurance coverage; an increase in the Medicare tax on taxpayers' net investment income if they earn over $200,000 a year, and, in a deal cut with unions, a delay in the tax on higher cost, so-called "Cadillac" insurance plans.

To find savings to offset the cost of the bills, the reconciliation legislation would end the Federal Family Education Loan Program (FFEL), which provides students with loans originated by private lenders. It would be replaced by a program requiring that all federally backed student loans originate through the U.S. Department of Education's Direct Loan Program, at a projected savings of $61 billion over 10 years. Students could be forced, however, to pay interest rates of 6.8 percent, while the government would be borrowing the money at a 2.8 percent rate, with the government's "profit" used to help finance the health care legislation. Such a major overhaul of the student loan program has no place in a health care reform measure and should have been voted up or down on its own merits. The Senate did not even debate an earlier House-passed bill on this issue.

The reconciliation bill, H.R. 4872, passed the Senate on March 25, with minor changes. It was subsequently cleared by the House later that day and signed into law by the president on March 30.

I know that there are good and reasonable people on both sides of the health care reform issue. I have appreciated hearing from the several thousand 10th District constituents over the past months who have phoned, e-mailed, sent letters, and participated in town call meetings to share their views on health care reform proposals.

I also know there are some areas of agreement, such as providing coverage for those with pre-existing conditions, prohibiting insurers from denying coverage for people when they get sick, and allowing young people to stay on their parents' insurance policies until age 26. But there are also other commonsense reforms that this new law fails to address, such as reducing medical liability costs; allowing Americans to shop for coverage and buy insurance across state lines; allowing individuals, small businesses and others to pool together to buy insurance in a group plan; ensuring that patients and doctors make decisions on medical care rather than a government-regulated agency, and providing competition and choice, rather than mandates and new entitlements.

If there were ever an issue that demanded thoughtful, bipartisan cooperation in Congress, it is legislation on the very personal matter of health care. I regret that the massive expansion of government incorporated in this new health care reform law was negotiated in such a closed, partisan manner. The House minority had proposed a plan that would lower premiums for families and small businesses by up to 10 percent, according to the nonpartisan Congressional Budget Office, without cutting Medicare or raising taxes. But the majority never provided the opportunity to come together to find common ground.